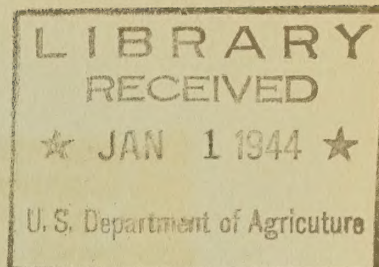


1.913
E2 Sub 3

United States Department of Agriculture
EXTENSION SERVICE
Washington, D. C.

Reserve



A SUMMARY OF EXTENSION WORK IN MARKETING /1

Development

Organized extension marketing work, through specialists in State extension services, was begun in the latter part of 1914, in cooperation with the Federal Office of Extension Work and the Office of Markets and Rural Organization of the United States Department of Agriculture. Two States, Mississippi and Oregon, initiated this work in the fiscal year, July 1914 to June 1915. On July 1, 1915, South Carolina, Louisiana, and Tennessee employed specialists and established general marketing extension work. North Carolina also on July 1, 1915, employed a specialist in cotton marketing with particular reference to grading and classing. Among other States that introduced marketing work into their extension programs during these early years were Alabama, Arkansas, Michigan, New Jersey, New York, Utah, and Vermont.

From this early beginning extension marketing work has grown until at the present time 125 specialists devote all or part of their time to marketing in cooperation with the county agents in approximately 3,000 counties. In addition, a large number of subject matter specialists, club leaders, home economics specialists, farm management specialists, and others spend at least part of their time on activities pertaining to marketing. The volume of work has increased steadily from year to year, until in 1938 our reports show that assistance was given farmers in solving marketing problems in some 18,600 communities. In these communities county agricultural agents and specialists with the help of over 14,000 farmers acting as voluntary leaders have assisted approximately 1,200,000 farmers with their marketing and purchasing problems. These farmers were helped either as individuals or as members of cooperative organization groups. Much of the educational work has resulted in the establishment of new marketing services and facilities. Present assistance given farmers in marketing work amounts to more than twice that accomplished by the Extension Service only a few years ago when the Federal Farm Board was responsible for focusing the Nation's attention on the problems of agricultural marketing.

Objectives

Marketing extension work in various States, counties, and communities has been developed to provide farmers, distributors, and consumers with information and assistance in bringing about greater efficiency in the system of marketing and distribution. The work has been planned in such a way as to make it economically sound, well adapted to local conditions but consistent with national programs and probable future trends.

/1 Prepared by Economics Section, Division of Subject Matter, October 18, 1939.

The purpose has been to use the best experience in educational methods and research findings available. Attention has been centered on the fact that farmers are interested in getting their marketing services performed at the lowest cost, and in such a way as to net the greatest returns in keeping with the actual market value of the products sold. This is the basis for the educational program which has had as its purpose the teaching of principles, policies, costs, and methods employed in the marketing and distribution of farm products. Another objective has been the dissemination of marketing information which would be helpful to farmers both as individuals and as members of cooperative purchasing and marketing associations. These objectives and purposes have necessitated a broad and comprehensive program of work.

Program of Work

Marketing extension programs generally have centered around the following considerations:

1. Costs of distribution and spreads between prices received by farmers and those paid by consumers.
2. Unnecessary duplication of marketing functions.
3. Improvement of market facilities.
4. Changing market outlets and consumer demands.
5. Development of that quantity, quality, and variety of products in keeping with specific market demands and the necessary standardization, grading, and packing to promote the greatest efficiency in marketing.
6. The place of cooperative institutions in the marketing system.
7. Marketing agreements, marketing quotas, commodity loans, and other programs designed to relieve market surpluses.
8. The price level and influence of general conditions on the market outlet for farm products.
9. Obtaining accurate information upon which may be based decisions as to when and where to sell most advantageously.
10. Credit with particular reference to distribution both by individual farmers and by cooperative associations.

During the past year 21,100 marketing meetings and demonstrations were held in the field. In addition, more than 37,000 farm or home visits were made during the year, and individual assistance was given

through 278,000 office calls. Some 11,000 news stories were published, and more than 8,000 different circular letters were issued in connection with the work. Moreover, assistance was given 1,359 new marketing associations during their period of organization, while 5,348 associations which previously had been organized were assisted. Such help concerned management, membership, accounting, financing, processing, reorganization, standardization, market outlets, market information, and other operative problems of cooperatives.

Methods

Decisions concerning marketing problems require a wide range of information since these problems arise both from farm operations and from outside influences and adjustments in the entire field of marketing. Many such decisions have been made without an adequate knowledge or understanding of the factors affecting the particular situation in question. In this connection, the important jobs are assembling and interpreting marketing information in practical, usable form and training leadership to assist farm people in becoming acquainted with the facts. Extension marketing specialists prepare and distribute market information currently among farmers, consumers, and trade agencies. This information deals with price trends, production changes, shifts in demand, market conditions, shifts in methods and practices in marketing, changes in marketing costs, market outlets, and other factual information.

Many varied but approved methods of extension teaching are used in an effort to meet the need of farm people for marketing information in the various communities. These methods consist of field meetings, marketing schools, market tours, discussion group meetings, method and result demonstrations, training schools, surveys, and analysis work. Other work usually conducted through marketing and planning committees involves quality improvement programs, program building, programs for rural youth, marketing agreement and purchase programs, and in rendering assistance to cooperatives. Extensive use is made of the radio and press, publications, circular letters, the telephone, and illustrative materials such as charts, graphs, film strips, lantern slides, motion pictures, and exhibits.

Cooperating Parties

In conducting the work as reported, the Extension Service has had the close cooperation and assistance of many agencies interested in the marketing of farm commodities. Among the most important of these agencies are the State agricultural colleges and experiment stations, the State departments of agriculture and bureaus of markets, private and public research and educational agencies, general farm organizations, cooperative organizations, trade associations, and distributor groups. Federal agencies which cooperate with the Extension Service on marketing work are the Farm Credit Administration, the Bureau of Agricultural Economics, the Agricultural Marketing Service, the Division of Marketing and Marketing Agreements of the Agricultural Adjustment Administration, the Federal

Surplus Commodity Corporation, the Marketing Division of the Farm Security Administration, the Rural Electrification Administration, the Federal Crop Insurance Corporation, and the Tennessee Valley Authority. The marked advancement in marketing extension has been enhanced by the cooperation and assistance of these groups.

Future Needs

Although much effort has been expended in conducting marketing educational programs for the benefit of farmers, much more remains to be done in the future. With rapidly changing economic conditions, shifts in demand and changes in transportation, resulting in necessary changes in methods of marketing, farmers feel an increased need, and are making increasingly greater demands on extension personnel for more information and assistance in order to cope with the problems confronting them.

The most obvious marketing problem in the minds of the majority of people involves the spread in prices received by farmers and the prices paid by consumers. For a number of years the spread between prices paid by consumers for food and prices received by producers has been widening. As shown in a recent release of the Bureau of Agricultural Economics, the trend in the relative cost of distributing 58 selected foods has been gradually increasing for the past quarter of a century. The percentage of the consumer's food dollar which was paid for transportation, processing, and all other marketing costs has increased from an average of 45 percent for the 8-year period 1913-20 to 54 percent for the years 1921-29, and to 60 percent from 1930 to 1938. These increased costs have been brought about largely through duplication in marketing methods, facilities, and services; legal barriers to interstate trade; increased costs and services in packaging, processing, and advertising; a certain amount of inefficiency, speculation, and excessive wastes in distribution; and a lag in the change of fixed costs to conform to a falling price level.

To say offhand that the increase in costs of distribution has been necessary or unnecessary is to take a somewhat narrow view of the problem. It illustrates the point that no single solution to the problem of securing greater efficiency in our system of marketing and thereby reducing distribution costs can be obtained. It emphasizes the need, however, for a great amount of investigational and educational work to provide a basis for action programs in marketing. In like manner, educational programs will be fundamental in future market planning conducted for the purpose of considering the significant economic problem areas in the field of marketing of agricultural products.